



CONCEPTUAL FRAMEWORK OF RELATIONSHIP BETWEEN PROMOTIONAL TOOLS & CONSUMER BUYING BEHAVIOR

Dr. Prabhakar Pandey¹ | Dr. Sanjay Singh² | Shekh Aadil Dalla³

¹ HOD (Commerce), Dr. C. V. Raman, University Kota, Bilaspur (C.G.).

² HOD (Management), C. M. D. P. G. College, Bilaspur (C.G.).

³ Research Scholar, Dr.C.V.Raman University Kota, Bilaspur (C.G.).

ABSTRACT

Retail markets have been one of the most rapid growing markets in the world for the last decade; to stay competitive, retailers use effective sales promotions tools and that become a vital technique for marketers to stimulate consumer buying behavior towards purchasing any product. The aim of this study is to determine the impact of the most used tools of sales promotion in retail sector such as: coupons, sample, price discount and buy one get one free on consumer buying behavior from two aspects; brand switching and customer loyalty. This study based on literature review, conceptual framework and hypothesis which open the door for future researchers to expand more in this field.

KEYWORDS: Sales promotions tools, Consumer buying behavior, Purchase decisions, Marketing.

INTRODUCTION

Retail market is growing in a high velocity environment all over the world. All types of promotional activities are currently used by retailers in order to be differentiated in the market. At the same time, competitiveness among retailers is booming. As a result of population and economic growth, retailers started to enlarge their marketing activities toward consumers. Peattie and Peattie (1994) stated that "Marketing activities usually specific to a time period, place or customer group, which encourage a direct response from consumers or marketing intermediaries, through the offer of additional benefits". One or more of these activities is to use promotional tools and techniques (such as: sampling, discounts, sales, buy one get one free, coupons, rebates, point-of-purchase displays, contests, premium money back offers and loyalty programs) which directly influence individual to give quick decision and to finalize purchasing process. Since the competency between retailers is very high, the main two ideas behind these excessive promotions from marketers point of view that it has a direct influence on individual buying behavior by inducing competitive consumers towards their products and to retain their loyal customers. Therefore, the aim of this research is to study the impact and the relationship for the common promotional tools in the retail sector, namely: coupons, sample, price discount and buy one get one free, to examine their effect on consumers buying behavior which include brand switching and customer loyalty. In this study, researcher used theoretical information and data that collected from books and scientific published articles related to promotion tools and people buying behavior

Promotional Tools

There are some types of promotional tools which are listed below:

- Advertising
- Personal selling
- Sales promotion
- Public Relation
- Publicity
- Direct marketing

- a. **Advertising:** Presentation and promotion of ideas, goods, or services by an identified sponsor. Examples: Print ads, radio, television, billboard, direct mail, brochures and catalogs, signs, in-store displays, posters, motion pictures, Web pages, banner ads, and emails. (Always in Paid Form non personal)
- b. **Personal selling:** A process of helping and persuading one or more prospects to purchase a good or service or to act on any idea through the use of an oral presentation. Examples: Sales presentations, sales meetings, sales training and incentive programs for intermediary salespeople, samples, and telemarketing. Can be face-to-face or via telephone.
- c. **Sales Promotion:** Promotion is all about communicating with customer. It is not enough for a business to have good products sold at attractive prices. To generate sales and profits, the benefits of products have to be communicated to customers. In marketing, this is commonly known as "promotion".
- d. **Public relations:** Paid intimate stimulation of supply for a product, service, or business unit by planting significant news about it or a favorable presenta-

tion of it in the media. Examples: Newspaper and magazine articles/reports, TVs and radio presentations, charitable contributions, speeches, issue advertising, and seminars.

- e. **Publicity:** Publicity is a non-personal non-paid stimulation of demand of the product or services or business unit by planning commercially significant news about the services or business unit by planning commercially significant news about in the print media or by obtaining a favorable presentation of it upon radio, television or stage.
- f. **Direct Marketing:** is a channel-agnostic form of advertising that allows businesses and nonprofits to communicate straight to the customer, with advertising techniques such as mobile messaging, email, interactive consumer websites, online display ads, fliers, catalog distribution, promotional letters, and outdoor advertising.

REVIEW OF LITERATURE:

Research on consumer behavior started during second half of the twentieth century and has accelerated during recent years. Many of studies at national and international levels have been conducted to find out the consumer behavior in various dimensions. Review of literature helps the researcher in understanding the consumer behavior of children, factors influencing consumer choice, marketing of toys and consumer decision making.

Consumer Behavior by (Solomon 1995, 7). Consumer behavior has been always of great interest to marketers. The knowledge of consumer behavior helps the marketer to understand how consumers think, feel and select from alternatives like products, brands and the like and how the consumers are influenced by their environment, the reference groups, family, and salespersons and so on.

Consumer Behaviour by Leslie Lazar and Schiffman: The authors suggested consumer behaviour as individual differs as from group. The family decision for a purchase decision is entirely different from individual decision making. The authors discussed various variables that affect consumer purchase decision. The book focused on family life cycle and various needs of consumer during different life stages. The family decision making process as a group decision making is elaborated and it is recommended to segment the market according to family need hierarchy.

Consumer Behaviour by Hawkins, Best, Coney and Mokherjee: The authors of the book discussed various factors affecting consumer behaviour for buying such as demographic and social influences (family and household), group influence, impact of advertising and internal influences (learning, perception, attitude etc.). The book elucidated the topics such as types of consumer decisions, purchase involvement and product involvement. The book also emphasized on information search process and various ways for providing relevant information to the consumers are recommended in this study. The book also emphasized on individual judgment and proposed that the ability of an individual to distinguish between similar stimuli is called sensory discrimination which could involve many variables related to individual preferences.

Consumer Behaviour by Bitta and Della: The authors proposed that consumer behaviour studies play an important role in deciding marketing segments and marketing strategies. The authors recommended that consumer is often studied because certain discussions are significantly affected by their behaviour or expected actions. For this reason such consumer behaviour is said to be an applied discipline. Such applications can exist at two levels of analysis. Market segmentation, consumer decision making and buying behaviour is considered as core marketing activities in designing effective marketing strategies. The micro perspective involves understanding consumers for the purpose of helping a firm or organisation to accomplish its objectives. On the other hand macro or societal perspective consumers collectively influence economic and social conditions within an entire society. The authors discussed factors affecting consumer behaviour at micro and macro level for making a purchase decision.

Gaur and Vaheed (2002): Observed that consumers' buying behaviour normally included the less observable decision process that accompany consumption including where, how often and under what conditions consumers made their purchase of desired goods and services

Gupta and Verma (2000): Examined the influence of husband, wife and children and the interaction between them in the purchase decision process. The study also focused on the influence of socio-economic variables like age, education, income and employment in the decision dimensions and found that income of the family and women employment were the major factors influencing decision making.

Marketing Management by Philip Kotler: The customer is always considered as a core of business activity. Author discussed in this book that marketing is only one factor in attracting and keeping customers.

Peter F. Drucker observed that a company's first task is "to create customers." Customer estimate will deliver the most value. The book highlighted consumer decisions making process and buying roles. The book considered customers as value maximiser within the bounds of search costs, limited knowledge, mobility and income.

Deeter-Schmelz, Dawn R.; Moore, Jesse N.; Goebel, Daniel J, (2000) examined Prestige clothing shopping by consumers by a confirmatory assessment and refinement of the PRECON scale. Aspects studied include background on the symbolic aspects of consumption; prestige shopping behavior; reassessment and refinement of the PRECON scale and impact of income and age on prestige shopping. The paper concludes with managerial implications for the United States apparel retailers dealing in prestige clothing.

Kincade, Doris H.; Woodard, Ginger A.; Park, Haesun (2002) studied Buyer-seller relationships for promotional support in the apparel sector which is critical for success. The purpose of the study was to define promotional support categories offered to apparel retailers by manufacturers, to identify the retailer's perceptions of the offering frequency and importance of the promotional support, and to investigate the relationship between offering frequency and perceptions of importance. Results indicated that monetary support was regarded as the most important promotional support. A positive and significant correlation was found between items the buyers perceived as important and the frequency of offerings of these items.

Liu, Yuping, (2007) found out the Long-Term Impact of Loyalty Programs on Consumer Purchase Behavior and Loyalty. Using longitudinal data from a convenience store franchise, the study found out that consumers who were heavy buyers at the beginning of a loyalty program were most likely to claim their qualified rewards, but the program did not prompt them to change their purchase behavior. In contrast, consumers whose initial patronage levels were low or moderate gradually purchased more and became more loyal to the firm. For light buyers, the loyalty program broadened their relationship with the firm into other business areas. Thus there is a need to consider patronage to decide rewards for loyalty programmed.

Sales promotion

There is a great body of literature and previous studies which discussed the relationship between sales promotion and its impact on consumer buying decisions, especially coupons and price reduction, since they are most extensive used types (Krishna and Zhang, 1999; Huff and Alden, 1998; Leone and Srinivasan, 1996; Bawa and Shoemaker, 1987, 1989 Gupta, 1988, 1993; Blattberg and Nelsin, 1991).

There have been many definitions of sales promotion. According to John and William (1986), the sales promotional marketing activities considered to be more efficient than advertising publicity and personal selling. In addition to that other researchers considered sales promotion as a direct inducement, proposing special added value for goods to target salesperson, customers or resellers (William and Ferrell, 1987; Gardener and Treved, 1998).

According to Joncos (1990) sales promotion is an effective way of competitive retaliation rather than marketing activities. Mercer (2002) defined promotion as it is a technique which mainly used by marketer on a temporary basis to create an

attractive goods or services to encourage the customers to purchase goods or services in a specific time period by providing more benefits. Belch and Belch (1996) defined sales promotions as direct encouragements provide an additional stimulant for the products to be sold or distributed in a short period of time.

Both Kotler (2002) and Totten & Block (1994) defined sales promotion as any activity which obtained by the producers usually short term designed to encourage quicker or greater amount trade retailer or wholesaler as well as influence individual to buy the product. According to Perreault, Cannon & McCarthy (2006) and Shimp (2003) sales promotion defined as a communicating information within two parties, seller and potential buyers, which is obtained to effect customers decisions.

Brassington and Pettitt (2000) provide a new definition for sales promotion as "a range of marketing techniques designed within a strategic marketing framework to add extra value to a product or service over and above the "normal" offering in order to achieve specific sales and marketing objectives. This extra value may be a short term tactical nature or it may be part of a longer-term franchise-building program". Moreover, Zallocco, Perreault & Kincaid (2008) defined sales promotion as it is an intentional effort from marketers to deliver the appropriate information in suitable inducement way to get the desired acceptable responses from the customers.

According to Cotton and Babb (1978) another trend of sales promotion used to increase consumer purchases which known as in-store promotion, it is more effective during the period when a deal is going on. Some researchers have different views that promotion is an expensive tool and it may affect negatively on retailers profits (Walters and Mackenzie, 1988). Additionally, Martinez and Montaner (2006) indicated that there are some factors can induce customers to buy more or less, depends on his economic and hedonistic situation as well as his characteristics.

Advertising:

Advertising is a non-personal paid form where ideas, concepts, products or services, and information, are promoted through media (visual, verbal, and text) by an identified sponsor to persuade or influence behavior (Ayanwale et al., 2005 and Bovee, et al. 1995). Emotional Response: Advertising is to create understanding, liking, and selection of product or services. The most influencing theory in marketing and advertising research is attitude-towards-the-ad. However, the attitude that is formed towards the ad help in influencing consumer's attitudes toward the brand until their purchase intent (Goldsmith & Lafferty, 2002). Consumer buying behavior is based on the concept and idea that he/she simply decided to purchase a product or service at the spot (Adelaar et al., 2003). The major aim of advertising is to create positive attitude towards the ad and the brand until consumer purchases that product and through this positive attitude create emotional response in the mind of consumer.

Personal Selling:

Personal selling is a unique element of marketing communication. Unlike advertising and sales promotion which main focus are to create awareness about the existence of a product or service and provide information as to the features of the products, its availability and price on a mass basis, personal selling is an individualistic approach that is designed to meet specific need of prospects. It is usually directed to specific market segments. It goes beyond the fundamental role of marketing communication, it plays significant role in the entire exchange process. That is, participating in the activities of each of the other elements of marketing mix, especially distribution (place)

Types of Personal Selling:

Personal selling is of four categories (Achumba, 2004; Osuagwu, 2002; Palmer, 2005). All the categories adapt similar methods in achieving their objectives. There variance however lies in the differences in their specific objectives. The four types of personal selling are: trade selling, missionary selling, technical selling and new business selling. Trade Selling involves the increase in the volume of the company's sales by providing promotional assistance to the intermediaries. This is useful in a situation when intermediaries are finding it difficult to sell-out their stock of a firm's products. However, missionary selling is an attempt to boost the company's sales by allowing the intermediaries to use the goodwill of the firm. It could be achieved by combining the producers sales force with the distributors salesmen and then pass all orders received through the distributor. Technical Selling could be referred to as creative selling. It involves the provision of technical assistance and advice to customers by salesmen. This type of personal selling is most suitable for technical products like insurance services. Technical selling requires analytical and persuasive ability on the part of the seller in order to convince the customer by making him to know the worth of the product purchased (Osuagwu, 2002). New Business Selling is used to obtain new accounts for the producer. This involves the salesmen looking for new opportunities or new users for his company's product in his territory. Obtaining new accounts may be slightly difficult and require specialists. In situations like this the company's most experienced salesmen are normally used. (Achumba, 2004)

Achumba, (2000) describes personal selling as an oral presentation in a conversation with one or more buyers for the purpose of making sales. The New Zealand Qualification Authority, (2008) defined personal selling as retail and whole-

sale sales activities in which a salesperson actively presents products to customers in seeking to make a sale. It could also be said to mean the presentation of goods and services before the customers and convincing or persuading them to buy the products or services. Kotler and Armstrong, (2008) posits that personal selling is the personal communication between a firm's sales force and customers for the purpose of making sales and building customer relationship. Kotler and Armstrong, (2008) and Kotler and Keller, (2009) submitted that personal selling is one of the oldest profession in the world. In fact, its development could be linked to the period of trade by barter, when people exchanges goods for other goods (Osugwu, 2002).

Objectives of Study:

- To determine impact of promotional tools on consumer buying behaviour of customers at pantaloon.
- To determine the factors which affect consumer buying behaviour.
- To find out customer satisfaction.
- To analyze the impact of customer expectation from the promotional tools.
- To study various promotional tools activities of Pantaloon Retail
- To study effectiveness of Promotional tools activities of Pantaloon Retail
- To understand which Promotional Tools activities are most effective

Hypothesis:

What is Hypothesis?

"It is a tentative prediction about the nature of the relationship between two or more variables." ▪ "A hypothesis can be defined as a tentative explanation of the research. Problem, a possible outcome of the research, or an educated guess about the. Research outcome."

A hypothesis test examines two opposing hypotheses about a population: the null hypothesis and the alternative hypothesis. How you set up these hypotheses depends on what you are trying to show.

Null hypothesis (H0)

The null hypothesis states that a population parameter is equal to a value. The null hypothesis is often an initial claim that researchers specify using previous research or knowledge.

Alternative Hypothesis (Ha)

The alternative hypothesis states that the population parameter is different than the value of the population parameter in the null hypothesis. The alternative hypothesis is what you might believe to be true or hope to prove true.

Null hypothesis (H01)

Consumer buying behavior is affected by promotional tools.

Alternative Hypothesis (Ha1)

Consumer buying behavior is not affected by promotional tools.

Null hypothesis (H02)

Customer expectation is affected by promotional tools.

Alternative Hypothesis (Ha2)

Customer expectation is not affected by promotional tools.

REFERENCES:

1. Del I Hawkins, Roger J Best, Kenneth A Coney, Amit Mukherjee (2007). Consumer Behaviour. Tata McGrawhill.
2. Schiffman Lenon G., & Kanuk Leslie Lazar (2006). Consumer Behaviour. Prentice Hall of India.
3. Solomon, M.R. (1995), Consumer Behaviour, 3rd Ed., Prentice Hall Stayman
4. D.M. and Deshpande, R. (1989), "Situational Ethnicity and Consumer Behaviour", Journal of Consumer Research, 16, December, pp. 361-371.
5. Marketing management- Philip Kotler
6. Philip Kotler, (2000, 2002 and 2008). Marketing Management. Prentice Hall of India.
7. Deeter-Schmelz, Dawn R.; Moore, Jesse N.; Goebel, Daniel J, (2000).
8. Kincade, Doris H.; Woodard, Ginger A.; Park, Haesun (2002)
9. Bitta Albert J. Della., (2004). Consumer Behaviour Mc-Grawhill
10. Gaur, S.S and Vaheed, K.A 2002. Study of buying behaviour for branded fine rice. Indian J.market. Vol.32(7), 33-36
11. Gupta, S.S and Verma, D.P.S (2000), we not me who will buy. Indian Mgmt. Vol.39, 61-65
12. Totten, J.C. and Block, M.P. (1994) "Analyzing Sales Promotion: Text & Cases: How to Profit from the New Power of Promotion Marketing", 2nd ed., Dartnell Corp., Chicago, IL.
13. Blattberg, R.C. and Neslin, S.A. (1990) "Sales Promotion: Concepts, Methods, and

Strategies". N.J.: Prentice Hall.

14. Adelaar, T., Chang, S., Lanchndorfer, K. M., Lee B. & Morimoto M. (2003). Effects of Media Formats on Emotions & Impulse Buying Behavior. Journal of Information Technology, 18, 247-266
15. Keller, L. K. (2006). Strategic Brand Management Process, in Prespective of Modern Brand management, Ed. Dr. Franz-Rudolf Esch
16. Brassington, F. & Pettitt, S. (2001). Principles of Marketing, 3rd Edition, Pearson Education, Prentice Hall
17. Holden, S. J. S. & Lutz, R. J. (1992). Ask Not What the Brand Can Evoke; Ask What Can Evoke the Brand. Journal of Advances in Consumer Research, 19, 101-107.
18. Goldsmith, R. E. & Lafferty, B. A. (2002). Consumer response to websites & their influence on advertising effectiveness. Internet research. Journal of Electronic Networking Application and Policy, 12(4), 318- 328.
19. Osugwu, L. (2002): Marketing Principles and Management. Lagos, Nigeria: Grey Resource Limited.
20. Warren, N. (2000): An Empirical Investigation of Critical Success Factors in the Personal selling process for Hounogenous Goods. Journal of Personal Selling and Sale Management. www.Never coldcall.com
21. Achumba, I. C. (2004): Sales Management Concepts Strategies and Cases. Rock Hill, USA: All-Marks Educational Research Inc
22. New Zealand Qualifications Authority, (2008): Identify and Interpret Trends in Personal Selling. Retrieved December 6th, 2009 from <http://www.nzqa.govt.nz/framework/search/index.do>
23. Palmer, A. (2005): Principles of Services Marketing. New York, USA: McGraw-Hill Education. Personal Selling and sales Force Management (n.d) (Poiser Point). California, USA: California State University.
24. Kotler, P. and Armstrong, G. (2008): Principles of Marketing. New Jersey, USA: Pearson Education, Inc.
25. www.pantaloonretail.in
26. www.pantaloon.com